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Chairman: Mr. SPAANS (Netherlands)
(Vice-Chairman)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 139: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

AGENDA ITEM 148: FINANCING OF THE UNITED NATIONS TRANSITIONAL AUTHORITY IN CAMBODIA

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In the absence of the Chairman, Mr. Spaans (Netherlands), Vice-Chairman, took the Chair.

The meeting was called to order at 10.15 a.m.

AGENDA ITEM 139: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR (A/46/900, A/46/904)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had considered the report of the Secretary-General on the financing of the United Nations Observer Mission in El Salvador (A/46/900) and, in preparing its report (A/46/904) had borne in mind its previous comments on the operations of the United Nations Observer Group in Central America (ONUCA) and the United Nations Observer Mission in El Salvador (ONUSAL). It recommended an appropriation of $39 million gross (or $37 million net) for ONUSAL for the period 1 January to 31 October 1992. The calculation had taken into account the net unencumbered balance of $3.4 million for ONUSAL.

2. Mr. INOMATA (Japan) took note of the statement in paragraph 7 of the Advisory Committee's report that the Secretary-General's report on the financing of ONUSAL had not addressed the relationship between ONUCA and ONUSAL, the transfer of resources or the possibility of successor arrangements. Many Member States had paid their share of the appropriation for ONUCA on the assumption that it would complete its mandate. Moreover, while the Advisory Committee recommended the transfer of resources from ONUCA to ONUSAL, in paragraph 8 of its report it asked the Secretary-General to report to the General Assembly at its forty-seventh session on the feasibility of merging the accounts of the two operations.

3. As peace-keeping operations were increasing in size and number, with attendant higher costs, Member States also had a heightened interest in improving the efficiency and financial accountability of such operations.

4. There were inherent problems in closing and settling the ONUCA account, but the fact remained that its operations had ended ahead of schedule and that many Member States had paid in advance. The actual costs should be identified as soon as possible and the proper accounting procedure followed. Those Member States which had paid in advance should not be penalized, while financial continuity between ONUCA and ONUSAL should be assured.

5. Mr. COHEN (United States of America) welcomed the comments of the representative of Japan. His delegation, too, was concerned about the relationship between ONUCA and ONUSAL. Noting the Advisory Committee's request that the Secretary-General report to the General Assembly at its forty-seventh session, he wondered why the issue could not be addressed immediately. Perhaps there were technical reasons; if so, they should be explained.

(Mr. Cohen, United States)

6. Paragraph 6 of the Advisory Committee's report spoke of outstanding assessed contributions in the amount of some $6.2 million. Of that amount, two thirds had apparently been received, so that ONUSAL would no longer have a deficit but a moderate surplus. It was hard, therefore, to see why the unencumbered balance referred to in paragraph 6 should be retained.

7. Mr. BAUDOT (Officer-in-charge, Department of Administration and Management) said that, as indicated, the issue of a merger of ONUCA and ONUSAL would be addressed at the forty-seventh session of the General Assembly. The United States representative was correct in saying that some of the outstanding assessed contributions had been received, but the amount was not so great as to eliminate the deficit, which remained at about $2 million.

8. The CHAIRMAN said that a decision on the item would be deferred until a later meeting.

AGENDA ITEM 148: FINANCING OF THE UNITED NATIONS TRANSITIONAL AUTHORITY IN CAMBODIA (A/46/903, A/46/916)

9. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) noted that in his report (A/46/903), the Secretary-General had tentatively estimated the total cost of the United Nations Advance Mission in Cambodia (UNAMIC) and the newly established United Nations Transitional Authority in Cambodia (UNTAC) at about $1,721.6 million. The military and logistics personnel to be deployed would number an estimated 19,500, including military and civilian police. In addition, 68,000 civilian staff would be engaged, the bulk of whom would be recruited locally to help organize the elections.

10. The repatriation and resettlement and rehabilitation components of UNTAC, by current estimates, would require voluntary contributions of $593 million, including $116 million for repatriation and resettlement under the auspices of the Office of the United Nations High Commissioner for Refugees (UNHCR).

11. The Advisory Committee had carefully considered the Secretary-General's estimates for the financing of UNTAC on the basis of his report (A/46/903) and of additional written information. It had also had before it for information the Paris Agreements on a Comprehensive Political Settlement of the Cambodia Conflict and the relevant reports of the Secretary-General to the Security Council on the operational plan for UNTAC. The Advisory Committee had concluded that the bulk of the expenditure could not be accurately estimated and that a few months' field experience would enable an accurate estimate to be prepared. The Secretary-General had recognized the tentative nature of the estimates and had requested funds up to 31 October 1992, pending a performance report indicating what additional funds were needed to fulfil the UNTAC mandate.

(Mr. Mselle)

12. The Advisory Committee had indicated that there were a large number of items for which the expenditure might not be as estimated. In particular, the costs of travel, rations and procurement of goods had not necessarily been realistically assessed. Moreover, those costs could be greatly affected by competitive bidding and discounts for volume. For the period ending 31 October 1992, the Advisory Committee was of the view that an appropriation of $839.6 million gross (or $833.2 million net) for UNTAC, which included an amount of $233.6 million gross (or $233.2 million net) already appropriated for UNAMIC, should be adequate, with the proviso mentioned in paragraph 78 of the Advisory Committee's report (A/46/916).

13. The Advisory Committee's recommendation did not imply any reduction in the level of resources UNTAC would eventually require. That level would be determined in October 1992, at which time it would be possible to carry out a more precise review of the operation's additional requirements for the balance of the mandate period as approved by the Security Council.

14. Mr. BAUDOT (Officer-in-charge, Department of Administration and Management) said that UNTAC was an unprecedented operation, not just because of its scope but also because of its cost. The total cost would be $1,722 million gross (or $1,699 million net) for the period 1 November 1991 to 31 July 1993. He referred members to annexes I and II of the report of the Secretary-General (A/46/903) for detailed cost estimates. Paragraph 48 of the report outlined the action required of the General Assembly.

15. An additional appropriation of $606 million gross (or $600 million net) had been requested in the Advisory Committee's report. It was hoped that that sum would be sufficient to see the operation through until 31 October 1992, at which point a new estimate would be prepared.

16. He drew the attention of members to the reminder in paragraph 79 of the Advisory Committee's report, to the effect that it was essential for Member States to pay their assessed contributions in full and on time. Peace-keeping operations were largely dependent on such contributions.

17. With respect to paragraph 33 of the Advisory Committee's report, in which it recommended the exclusion of locally recruited staff from the United Nations Joint Staff Pension Fund, some provision was no doubt required to compensate local staff in the event of death or disability. The recommendation in paragraph 58 to the effect that the Organization should explore the possibility of starting its own self-insurance for vehicles had been noted. Finally, the external audit services mentioned in paragraph 67 would be supplemented by internal United Nations audit services.

18. Mr. CARDOSO (Brazil) said that his delegation fully supported all United Nations peace-keeping operations and had been proud to provide military observers and police monitors for some of them. He understood the time constraints necessary for the effective implementation of the peace-keeping

(Mr. Cardoso, Brazil)

operations in El Salvador and Cambodia but was concerned that the current meeting had been scheduled at the same time as the first part of the thirty-second session of the Committee on Programme and Coordination. Such a situation was unlikely to encourage effective participation in the decision-making process of the Organization. In addition, the report of the Secretary-General on the financing of UNTAC (A/46/903) had not been received by his Mission until 12 May 1992, while the report of the Advisory Committee (A/46/916) had been received only within the previous 48 hours. Clearly, in dealing with matters of such great urgency, the six-week rule could not always be applied and delegations had always been flexible. However, the Committee was being asked to draw up a resolution dealing with considerable sums of money and matters of the utmost concern to all Member States. He would therefore welcome information on the circumstances which had prompted the scheduling arrangements for the current meeting.

19. Mrs. SYAHRUDDIN (Indonesia) said that the full support of the international community for the UNTAC operation was needed in order to create an environment conducive to peace and stability in Cambodia. Her country fully supported the Secretary-General's efforts to comply with the UNTAC mandate and had already provided a full battalion of troops. A second battalion would be deployed in the near future, together with police, military observers and military staff. Her delegation fully supported the report of the Secretary-General (A/46/903) and the recommendations and conclusions of the Advisory Committee (A/46/916).

20. Mr. WU Gang (China) said that his Government fully supported UNTAC, which was the largest peace-keeping operation ever mounted by the United Nations. However, if it was to be effectively implemented, all Member States must pay their assessed contributions in full and on time. His own Government had paid the full amount of its first assessed contribution in March 1992 and he appealed to all other Member States, particularly the major contributors, to meet their obligations as soon as possible.

21. The Secretary-General had provided an estimate of the total expenditure on UNTAC and had given a detailed breakdown in the annex to his report. He had proposed that the General Assembly should approve an appropriation of $764 million to meet financial needs up to the end of October 1992. However, it was to be regretted that the annex to the report did not list the budgetary requirements to the end of October, with the result that it was difficult for Member States to understand what the actual budgetary requirements were for that stage of the operation. He hoped that the matter would be rectified in future reports.

22. His Government had always stressed the importance of economy and efficiency in peace-keeping operations and he welcomed the Advisory Committee's recommendations for savings in various areas, particularly in the purchasing of vehicles. Nevertheless, because of the scope and complexity of the peace-keeping operation in Cambodia, many unforeseen factors might arise.

(Mr. Wu Gang, China)

It was therefore essential to ensure that the financial arrangements did not impair the full implementation of all the activities mandated by the Paris Agreements. The Secretary-General should constantly monitor the budgetary performance of the operation and propose adjustments as necessary.

23. Mr. RAE (India) said that UNTAC was one of the most complex peace-keeping operations ever mounted by the United Nations, as well as the largest from the financial and administrative point of view. His Government fully supported the operation and had been closely involved in the negotiation of the Paris Agreements. It had also provided a substantial number of personnel, including police monitors, military observers and medical and infantry units. Given the magnitude of the operation, sufficient funds must be made available and those funds must be administered in a cost-effective manner. The additional appropriation of $606 million for the period up to 31 October 1992 proposed by the Advisory Committee seemed to strike the right balance. In any case, future requirements could be reviewed when the performance report was submitted to the General Assembly at its forty-seventh session.

24. In general, his Government supported the recommendations of the Advisory Committee, which might have implications for many other aspects of peace-keeping operations. In particular, he felt that the recommendation on the recruitment of international staff was both unexceptionable and wise. Clearly, traditional rules and recruitment procedures, which sometimes involved delays, could not always be fully applied, given the urgency of the situation. As was pointed out in the report of the Secretary-General, innovative measures were necessary and he wondered what steps the Secretariat had already taken in that direction. His own Government would be willing to provide civilian staff for UNTAC and would bear the domestic costs provided that the international costs were met by the Organization. The Advisory Committee's recommendation that specific guidelines should be developed for the participation of civilian personnel provided by Governments was also to be welcomed. All possibilities of reducing travel costs for civilian and military personnel should be explored and charter flights should be used wherever possible. Sufficient account had not been taken of the fact that many civilian staff had been provided by neighbouring countries and that consequently the average cost of air passages used in the calculations could be reduced. In addition, substantial savings could also be made by using suppliers from neighbouring countries or countries in the region for procurement, provided that quality standards were met.

25. In his first progress report on UNTAC (S/23870), the Secretary-General had stated that, in view of the complexity of an operation such as UNTAC, it might be necessary to re-examine the manner in which existing financial and administrative rules and regulations of the organization were applied. However, no mention had been made in the Secretary-General's report on the financing of UNTAC (A/46/903) of any possible changes and he wondered whether the Secretariat could say what changes, if any, were envisaged.

(Mr. Rae, India)

26. He agreed with the representative of Brazil that adequate time was needed to consider vital issues involving such substantial sums of money.

27. Ms. BIRD (Australia) said that the proposed appropriation for the period up to 31 October 1992 was crucial to the UNTAC operation, which her country fully supported and to which it had contributed significant numbers of military personnel. It was vital that the deployment of military and civilian personnel and equipment should go ahead in accordance with the timetable which had been laid down and that the necessary funds should be forthcoming. The cuts proposed by the Advisory Committee might need to be readjusted in the light of developments on the ground; that could be done when subsequent appropriations were decided upon.

28. She noted that, in paragraph 73 of its report, the Advisory Committee questioned the usefulness of mine-clearing bulldozers. However, the Special Representative of the Secretary-General for Cambodia had said that the bulldozers were vital to the mine-clearing operation and that their absence could jeopardize the safety of UNTAC personnel. Her understanding was that the Advisory Committee's report would not prevent UNTAC from acquiring such equipment if it considered it necessary, but she would welcome confirmation on that point.

29. In paragraphs 59 and 60 of its report, the Advisory Committee questioned the need for the proposed commercial communication system and wondered whether the military network could not be extended to meet the same purpose. In her view, the military and commercial communications systems were entirely separate and fulfilled different needs.

30. She agreed with the representative of India concerning the recruitment of international staff and fully supported the observations made by the Advisory Committee in paragraph 25 of its report, which she hoped would be followed up.

31. Mr. KABIR (Bangladesh) said that his delegation was convinced that international support for the United Nations operation in Cambodia should be more vigorous than ever. It therefore fully supported the Secretary-General's report (A/46/903) and the Advisory Committee's comments thereon (A/46/916). It would only ask the Secretary-General to carry out the task he had been assigned with the utmost cost-effectiveness.

32. Mr. BAUDOT (Officer-in-charge, Department of Administration and Management), responding to some of the comments made by representatives, said that the Secretariat was well aware of the important responsibility borne by the General Assembly on budgetary matters and it took that responsibility very seriously. On its side, the Secretariat had, however, been anxious to have a decision by the General Assembly as quickly as possible, in view of the urgency of the situation. He could assure representatives that later in the year, when a further progress report and a request for additional appropriations was brought before the Assembly, they would be given ample time to review the entire subject.

(Mr. Baudot)

33. With respect to recruitment, he wished to point out that one innovation introduced in Cambodia had been the use of volunteer personnel. Some effort had been made by the Special Representative to make use of personnel recruited directly from Member States and the Secretariat would continue to study the question, bearing in mind both cost considerations and the need to gather as much expertise and goodwill as possible. The Cambodian operation was having the effect of increasing awareness both within the Secretariat and among Member States of the increased burden such operations placed on the Secretariat and its budget, and of the need for the Secretariat to apprise Member States more clearly of the implications of such operations.

34. In connection with the Indian representative's reference to the first progress report of the Secretary-General on UNTAC (S/23870), he noted that, apart from technical and administrative measures which, although important, were purely internal, attention might be given to the Secretary-General's suggestions, in the statement made during his recent visit to Washington, concerning the establishment of a fund for peace-keeping operations and the possibility of having one third of the financing of a peace-keeping operation approved by the General Assembly as soon as the operation was decided on by the Security Council.

35. With regard to the Australian representative's references to the Advisory Committee's comments on mine-clearing and telecommunications equipment, he pointed out that the Advisory Committee had asked only that the Secretariat should review the estimates for that equipment, not that the allocations should be eliminated.

36. Mr. SADRY (Deputy Special Representative of the Secretary-General for Cambodia) said that, as the Officer-in-charge of the Department of Administration and Management had pointed out, the Secretariat did intend to approach Governments with a view to the direct recruitment of both expert personnel for the electoral process and technical staff.

37. The Secretariat had approached neighbouring countries with regard to the procurement of equipment, on the basis of competitive bidding, as was the standard procedure of the United Nations. As an exception, however, it had also done some procurement on an urgent basis, because of the urgency of the situation.

38. Referring to the Australian representative's comments, he said that the Secretariat was well aware that the military and civilian telecommunications systems were completely different; it had combined the personnel of the two systems in order to ensure that they functioned in cooperation and without duplication of effort.

39. In connection with the mine-clearing bulldozers referred to by the Australian representative, he said that the Secretariat would review the

matter bearing in mind when they would be needed by UNTAC. All the equipment requested would in fact be kept under review on a case-by-case basis and in the light of the actual situation.

40. The CHAIRMAN said he agreed with the Brazilian and Indian representatives that the General Assembly played an essential role with respect to matters such as the financing of UNTAC, and that care must be taken to give due attention to that role. It was with that in mind that he had scheduled the current meeting and he was grateful for the flexibility shown by Committee members in agreeing to the meeting. The meeting had been scheduled during the current rather than the following week because the Advisory Committee, which also played an important role in such matters, especially where there were very large financial implications, would be meeting in Europe during the following week.

41. A decision on the item under consideration would be deferred until a later meeting, following informal consultations.

The meeting rose at 11.45 a.m.